

What Women Want:

A Blueprint for Change in Business Education

Graduate
Management
Admission
Council®



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Executive Summary

What Women Want: A Blueprint for Change in Business Education, a new white paper from the Graduate Management Admission Council (GMAC), shares insights about women's motivations to pursue graduate management education (GME), their approach to the application journey, and the biggest challenges they face along the way. These insights are examined in the context of the Council's recent global GME candidate segmentation study along with other GMAC® survey research and admissions testing data. This analysis provides a rich source of market intelligence that business schools can use to create a new value proposition for women and make progress toward gender parity in the classroom, especially in their full-time MBA programs.

An MBA degree is still relevant and valued by women as a passport to wider career advancement and leadership opportunities in business. In fact, women are more likely than men to hold the MBA degree in high regard. The share of women in classrooms, however, has consistently remained below 50 percent in parity with men, yet women are at or near parity in specialized master's classrooms.

Curiosity is a key characteristic of women in the GME pipeline, and they are less intimidated by standardized testing than their male peers. Globally, women are significantly more likely to say they like to continuously discover new things. In the United States, women are less likely than men to say that the GMAT® exam is too difficult, and in India and in China, women are more likely than men to think that submitting exam scores strengthens their applications.

Overall, women are more pragmatic and outcomes-focused in their approach to pursuing GME. They are more likely than men to apply to a specific school because it offers flexible program formats and its graduates get better job opportunities. Especially in Western countries, women are more likely than men to be motivated by the desire to advance more quickly and earn more money.

Early planning and convenience play a key role in the application journey for women.

Women are more likely than men to begin considering graduate management education as undergraduates, and are more likely to be prompted to apply because the timing was convenient.

Women in Western countries differ in their motivations and approaches to the application journey than women in emerging economies like China and India. The greatest share of women who fall into the Balanced Careerist and Socioeconomic Climber segments are found in the United States and Europe, whereas female Global Strivers are more likely to be found in India and Career Revitalizers in China. Moreover, the motivational profiles of Western women differ noticeably from their male counterparts. In India and China, women's motivations and application behaviors more closely resemble those of male applicants from these countries.

Challenges related to funding are significant barriers for women. Financial reasons are the number one reason globally that female applicants have not yet accepted their admissions offer to graduate business school. In the United States, 30 percent of female applicants cite *obtaining funds* as their biggest challenge versus only nine percent of male applicants.

Segments of women with funding challenges are less likely to pursue MBA degrees. Balanced Careerists and Socioeconomic Climbers, who report experiencing the greatest funding challenges, are the least likely to pursue an MBA degree and most likely to seek a non-MBA degree instead. These candidates also are less likely to say they are willing to pay whatever it takes to attend a top-ranked business school.

Introduction

In its *Global Gender Gap Report 2016*, the World Economic Forum presents a values-based case for promoting gender parity in all spheres of civic, social, and economic activity. Given that women represent half the world's population, the report states they evidently deserve equal access to health, education, economic participation and earning potential, and political decision-making power.

“Ensuring the healthy development and appropriate use of half of the world's total talent pool has a vast bearing on the growth, competitiveness, and future-readiness of economies and businesses worldwide.”¹

The *Global Gender Gap* report's authors contend that gender parity in these four areas, which they see as critical to how well world economies and societies thrive, may be slow to come any time soon.

This realization is the driver behind the theme for International Women's Day in 2017, “Be Bold for Change”—a call to men and women everywhere to take bold pragmatic action in their own spheres of influence to accelerate gender parity.

Graduate schools of business are uniquely situated to take bold action to drive the changes that women want and deserve. These institutions have the power not only to train and shape future leaders, but also to accelerate the gender diversity of their talent pipeline to ensure their female candidates have access to the same opportunities as male candidates. Their marketing and admissions practices, along with the student experience and inclusive network they provide, will play a critical role in further building gender-inclusive leadership models that champion equal career and leadership outcomes for women, help women achieve their career ambitions, and value the unique contributions that women have to offer in the classroom and the workplace.

This paper seeks to highlight and celebrate the differences between women's and men's motivations surrounding their business school experience. By reporting on the latest gender insights from the GMAC motivations-based segmentation study and from its proprietary GMAT exam data and other survey research findings, we aim to equip business schools with a deeper understanding of the motivations of women who apply to their programs. We unabashedly want business schools to recruit, admit, and design a student experience for increasing numbers of women and seek to give schools a robust set of insights to help them accomplish that goal.

A Close-Up Look at Women in the GME Pipeline

Since 1962, when the faculty of Harvard Business School first voted to grant admission to women in its MBA program, the ranks of women in graduate management education have swelled, contributing to the growth of MBA applications and enrollments in the United States and around the world. That growth has made the MBA—and graduate business degrees in general—the most sought-after graduate credential in higher education today.

The influx of women in graduate management education reflects the fact that globally, women are earning undergraduate and postgraduate credentials across all educational disciplines at a rate today that either matches or eclipses that of men. In the United States alone, women earned 57 percent of all bachelor's degrees conferred, and 60 percent of all graduate degrees awarded by U.S. institutions in 2015.²

Over the past four decades, women's participation rate in graduate business education in the United States has expanded rapidly. Currently, women make up 47 percent of individuals receiving graduate business degrees (MBA and non-MBA combined) from U.S. business schools, compared with 1970 when they made up less than five percent of the total.³

Globally, women contribute to the continued growth of the admissions testing pipeline for GME, based on their increasing share of GMAT exams taken annually throughout the world. Though men continue to represent the largest proportion of GMAT test takers, women are narrowing the gender gap in the global pipeline for GME—they represent 45.2 percent of total exams taken in testing year 2016 compared with 54.8 percent for men. This is the lowest (1.21) female-to-male ratio in the history of the test.⁴

Gender Gap Persists in MBA Admissions and Degrees Awarded

Despite the phenomenal progress women have made in attaining higher education credentials, particularly in graduate management education, women have not yet caught up with men in the share of MBA degrees earned, neither in the United States nor in other world regions.

Globally, in the 2015–2016 graduating class, women across all world regions earned, on average, 38 percent of MBA degrees issued to graduating business students compared with an average of 64 percent for men, based on statistics tracked by the Association to Advance Collegiate Schools of Business (AACSB).

These records also show that women worldwide earned degrees from non-MBA business master's programs at essentially equal rates as men—receiving an average of 51 percent of total non-MBA degrees in 2015–2016.⁵

For the past five years, these percentage breakdowns by gender and degree type have remained constant, which suggests that MBA programs clearly have room to grow the share of women pursuing these degrees and move closer to gender parity in the classroom.

Women in Higher Education in the United States:

57%
of bachelor's degrees

60%
of graduate degrees

36%
of MBA degrees

Source: NCES and AACSB
(2015–2016 data).

MBA and business master’s degrees conferred by world region & gender, 2015–2016

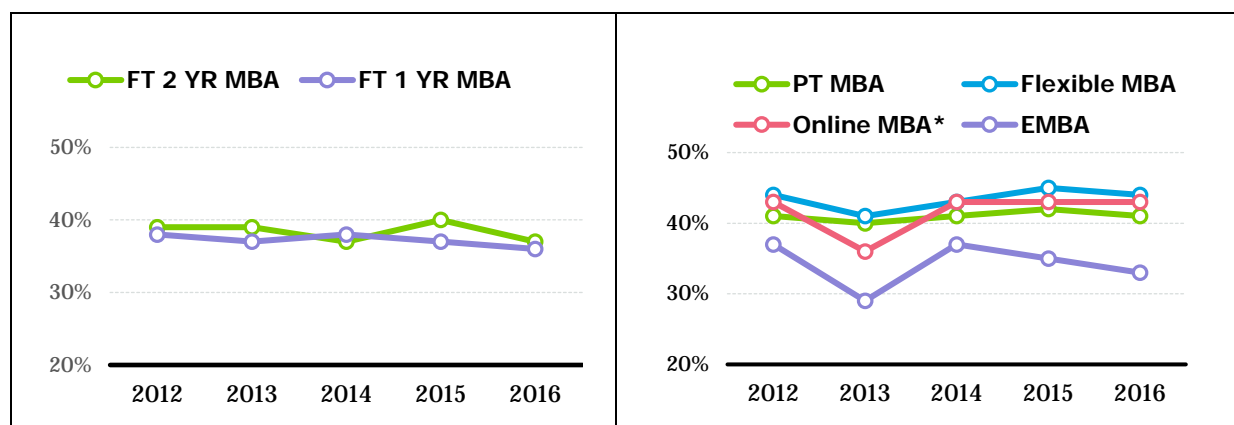
	Asia	Europe	LATAM	North America	Oceania
MBA Degrees					
Women	35.8%	44.5%	35.9%	36.3%	35.8%
Men	64.2%	55.5%	64.1%	63.7%	64.2%
Master’s Specialist Degrees					
Women	50.6%	51.3%	46.9%	48.1%	57.9%
Men	49.4%	48.7%	53.1%	51.9%	42.1%

Source: AACSB, Business Degrees Conferred, by Gender, Level, and Region, accessed January 19, 2017 at: <http://www.aacsb.edu/knowledge/data/frequently-requested/degrees-conferred/degrees-by-gender>

The AACSB data align with findings from the 2016 GMAC Application Trends Survey, the Council’s annual snapshot of admissions trends for graduate business programs.⁶ Although women overall represent 44 percent—or nearly half—of the total applicant pool for the 2016–2017 class intake, application trends for MBA programs, especially the full-time MBAs, have not changed substantially over the past five years. The data suggest that the number of women applying to full-time MBA programs has hit a plateau:

- From 2012 to 2016, the proportion of women applying to full-time two-year MBA programs averaged 38 percent of total applicants—in 2016 it was 37 percent.
- For full-time one-year MBA programs, women averaged 37 percent of the total applicant pool since 2012 compared with 36 percent in 2016.

Representation of women in applicant pools of MBA programs, 2012–2016



Source: GMAC Application Trends Survey. Data collected in survey years 2012 through 2016.

The Application Trends Survey data also show that professional MBA programs—part-time, flexible, and online—attract greater shares of female applicants, and this has remained steady over the last five years:

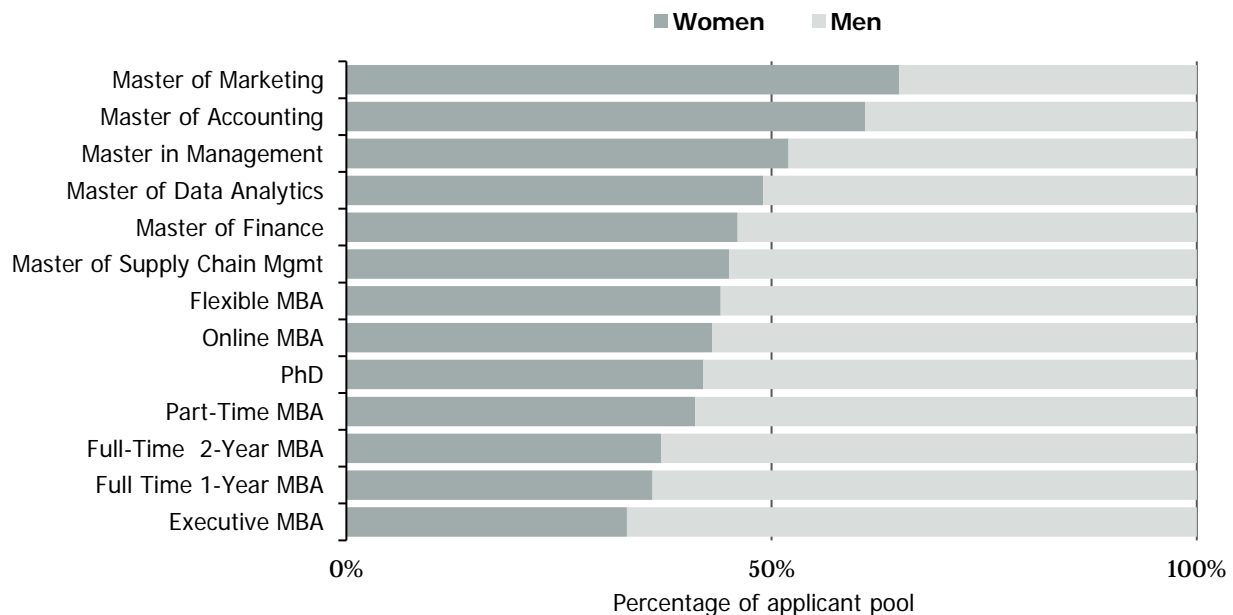
- Since 2012, the proportion of women applying to professional MBA programs has averaged 43 percent for flexible MBA, 41 percent for part-time MBA, and 41 percent for online MBA programs.
- The gender ratio for executive MBA programs, the outlier among the professional MBAs, has averaged 33 percent women versus 67 percent men over the past five years.⁷

Women Maintain Strong Interest in Master’s Programs

In contrast to MBA programs, gender parity in applications to many non-MBA business master’s programs has been the norm for quite a few years. Globally, women represent a greater share of the 2016 applicant pool than men in many of the traditional business master’s programs such as marketing (65% women), accounting (61%), and management (52%). Women are at near parity with men in Master of Finance programs (54% men vs. 46% women). Averaged over the past five years, these gender ratios are also stable and align with the AACSB regional statistics.

Women also are making inroads in two of the new quantitative programs on the rise in the GME space: Master of Data Analytics and Master of Supply Chain Management. Application Trends Survey data show that these two master’s programs sat classes in 2016 that were nearly evenly divided between women and men.⁸

Women well represented in master’s programs in 2016; MBA programs have room for growth



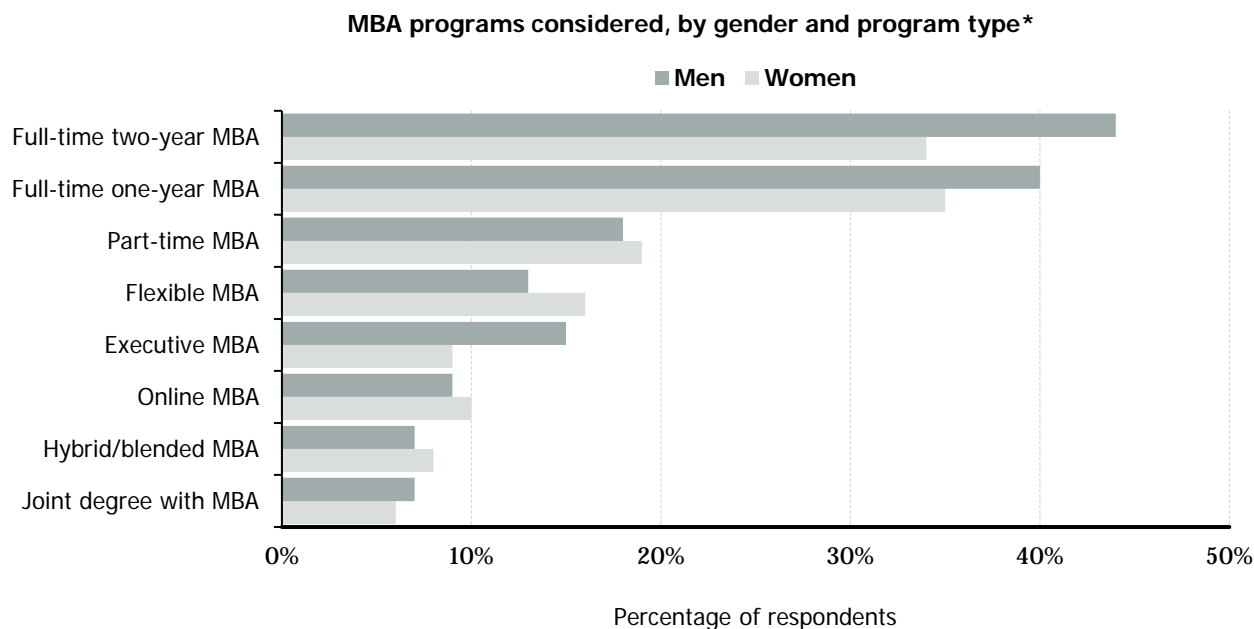
Source: GMAC Application Trends Survey (2016).

What Lies Behind the Trends in Women’s Program Choices?

In recent years, the proliferation and diversity of graduate business programs has created a more competitive environment in the GME industry, giving women more options for furthering their education beyond a bachelor’s degree. These options include more non-MBA business master’s programs as well as new MBA program formats, such as the online MBA. For example, findings of the 2016 Application Trends Survey show that nine percent of online programs are new in 2017. Other growth areas include Master of Data Analytics programs (36% of programs are new in 2017), Master of Supply Chain Management (19% are new in 2017), and Master of Marketing (16% are new in 2017).

These GMAC® survey findings suggest that the competition generated from the expansion of the masters’ portfolio is adding downward pressure on application volume growth for flagship MBA programs such as the full-time two-year and part-time MBA.⁹

We also see that greater proportions of women *consider and prefer* non-MBA master’s programs (as well as part-time, online, and flexible MBA formats) than men do. Analysis of mba.com Prospective Students Survey data from 2015 (collected from a sample of more than 10,000 mba.com registrants) shows that when contemplating GME, the global share of men looking at MBA programs outnumbers women 78 percent to 68 percent.¹⁰ The share of women considering non-MBA master’s programs exceeds men, 54 percent versus 43 percent. When designating their most preferred type of graduate business program, the results are similar—women are *more likely* to prefer non-MBA business master’s, as well as part-time, flexible, and online MBA programs, slightly more than men. More men express a distinct preference for full-time and executive MBA programs.



*Percentages do not sum to 100 due to multiple selections.

Source: GMAC mba.com Prospective Students Survey (2016). Data collected January to December 2015.

Global GMAT exam data from testing year 2016 show that although women directed more than half of their GMAT score reports to MBA programs (55%), they also sent 42 percent of their score reports to non-MBA business master’s programs. Men sent 72 percent of their GMAT score reports to MBA programs in 2016 and a quarter (25%) of their score reports to non-MBA programs.

Gender Differences in Attitudes and Motivations

Many factors influence a woman’s decisions about whether to apply to graduate business school and how to select a program type that will best suit her educational and professional goals. Demographic factors often play a role, especially regarding age and work experience levels. For example, most full-time MBA programs expect a certain number of years of prior work experience from applicants, criteria that might lead a younger applicant with little work experience to gravitate to a non-MBA master’s.

Other factors at play can’t be evaluated through a demographic lens—things like family circumstances, the opportunity cost calculation of continuing to work versus dropping out of the workforce for two years to attend school full-time, or wanting to complete a program in the shortest possible time to resume a career or start a family. Any of these can make a one-year master’s or an online MBA more attractive.

For schools that want to maintain a strong pipeline of female candidates, especially to their full-time MBA programs, understanding the motivations of women who are applying to business school today can go a long way toward helping schools improve their value proposition for this growing source of talent.

Segmentation Model and Distribution of Women Across Segments

With this objective in mind, the rest of this paper explores how men and women differ in their motivations to pursue GME and how they differ in their program selections and how this intelligence can help schools design educational experiences tailored for female candidates.

Our analysis is based on a market segmentation study of the global GME candidate population that GMAC conducted in 2016 in partnership with Ipsos, a global market research firm. The study examined candidates' core motivations, specifically factors that most motivate them to pursue a graduate business degree and factors that most motivate them to apply to a specific graduate business school.

The online survey of GME applicants used Ipsos' proprietary survey panels and supplemental vendor panels and included a sample of 5,900 individuals across 15 countries who had applied to a graduate business program between January 2014 and April 2016. The sample size for each country was calculated to approximate the percentage share of each country's contribution to the total GME candidate population worldwide. In addition, the sample is unique from past GMAC research in that it was not limited to candidates who take the GMAT exam but was inclusive of the broader GME candidate population worldwide.

The result of this GME segmentation study was seven well-defined and mutually exclusive candidate segments identified as Respect Seeker, Global Striver, Balanced Careerist, Career Revitalizer, Socioeconomic Climber, Skill Upgrader, and Impactful Innovator.¹¹ Each segment has defining characteristics, a core motivation, and a value proposition that encapsulates what candidates see as most valuable about a graduate business degree. These segment models are universal for women and men and detailed descriptions of each segment can be found in the *Appendix* (Figure A. 3, "Overview of Segment Characteristics").

Distribution of women in the segments, globally and by country/region

	Global	United States	China	India	Europe*
Respect Seeker	23%	30%	24%	25%	29%
Global Striver	15%	6%	4%	32%	13%
Balanced Careerist	11%	27%	3%	5%	23%
Career Revitalizer	15%	4%	47%	1%	3%
Socioeconomic Climber	12%	17%	3%	9%	15%
Skill Upgrader	11%	11%	10%	15%	11%
Impactful Innovator	13%	5%	9%	13%	7%
	N=2079	N=201	N=584	N=367	N=158

Percentages may not sum to 100 due to rounding.

*Europe includes aggregated data for three countries: France, Germany, and the United Kingdom.

Source: GMAC Global GME Segmentation Study (2016).

Our analysis of segmentation findings explores global results for male and female respondents and how the defining segment characteristics further differentiate the behavior and motivations of female applicants. We also present results for men and women across the four countries or regions that represent the largest respondent samples in the original study—China, India, the United States, and Europe (aggregated country data for France, Germany, and the United Kingdom).

Understanding the distribution of segments across countries and within their own MBA and specialized master's programs will help business schools connect with females in these segments in a more meaningful way. The next few sections will continue to dive deeper into these differences and the challenges presented throughout the candidate journey.

Psychographic Insights and Perspectives on Graduate School

All respondents in the global GME segmentation study were asked to indicate their level of agreement with several statements regarding their personal attitudes about matters such as family, careers, leadership, achievement, money, and social connections. They were also asked for their level of agreement with several statements about MBAs and business master's degrees.

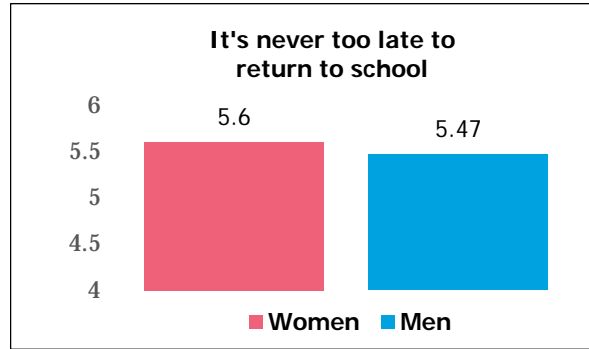
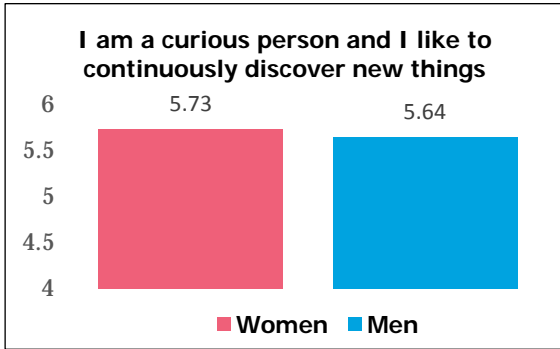
Globally, women have a more relaxed relationship with time and their work. They are *more likely* than men to agree with the statement, “It’s never too late to return to school” (5.6 vs. 5.47 on a scale from 1 to 7, where 1 = strongly disagree and 7 = strongly agree) and, “It’s important to have work/life balance” (5.84 vs. 5.74). Men are significantly *more likely*, however, to agree with the statement, “Even when on vacation, I like to maintain regular contact with my work” (4.97 vs. 4.81).

Status and income also seem to have more influence on men than on women. Men are *more likely* to agree with the statements, “Income and/or recognition are more important to me than having a job I like” (4.89 vs. 4.77) and, “If you don’t advance or get promotions in your career, you are a failure” (4.73 vs. 4.61).

For women applying to a graduate business program, *curiosity* is the one defining characteristic that sets them apart from their male counterparts. Overall, women are significantly *more likely* than men to agree with the statement, “I am a curious person and I like to continuously discover new things” and the statement, “I love to learn new things.”

The full methodology for the GMAC GME segmentation survey can be found in the original report, *Beyond Demographics: Connecting with the Core Motivations of Business School Candidates*, available at gmac.com/segments.

Attitudes about learning and self-development, men vs. women

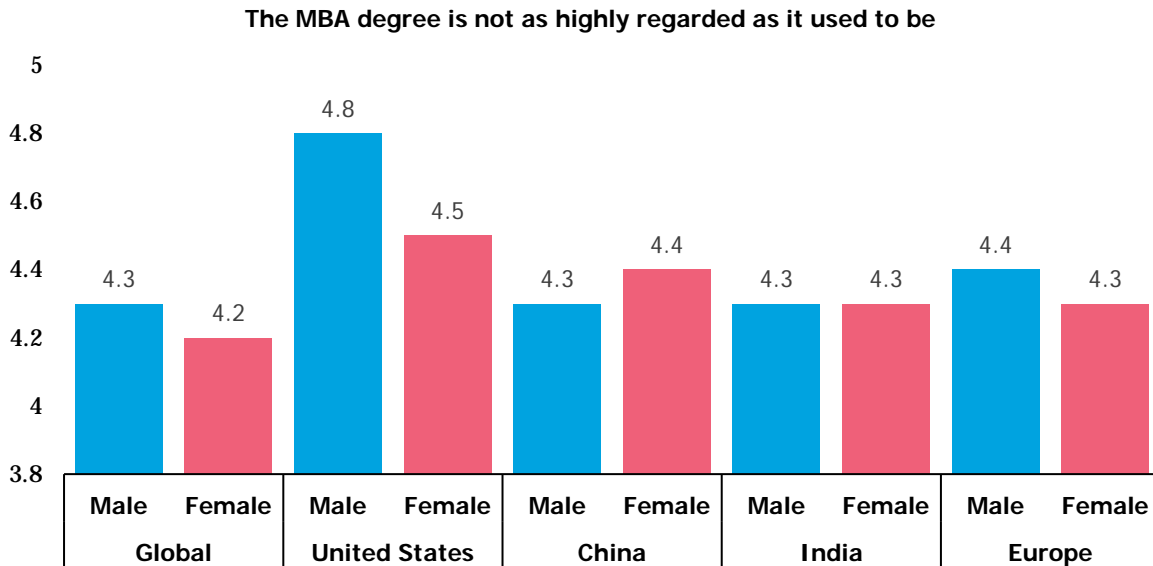


Note: Responses rated on a seven-point scale ranging from 1, strongly disagree, to 7, strongly agree.
 Source: GMAC Global GME Segmentation Study (2016).

When applicants were asked about their attitudes toward MBA and business degrees, women seem to hold graduate business degrees in higher regard. In the United States and Europe, women are significantly *less likely* than men to agree with the statement, “The MBA degree is not as highly regarded as it used to be.”

In China and India, women are *more likely* than men to agree with the statement, “If you want to get ahead or stand out at work, you must get a master’s degree.”

Attitude about relevance of the MBA degree



Note: Responses rated on a seven-point scale ranging from 1, strongly disagree, to 7, strongly agree.
 Source: GMAC Global GME Segmentation Study (2016).

Top Motivations for Women to Pursue GME

Segmentation survey respondents were asked to review two separate lists of statements and select the statements that both best and least described their motivations for pursuing GME and their motivations for applying to a specific business school. The findings were used to create a motivation-based segmentation model. (See the *Appendix* for details about the methodology and the two lists of motivations.)

For both women and men, 3 of the top 10 motivations for pursuing GME involve improvement of skills—management, leadership, and specific occupational skills such as accounting and finance. Women expressed a slightly stronger preference for *improving management skills* and *specific skills* such as accounting, whereas men express a stronger preference for improving their *leadership skills*.

The most noticeable motivational differences in pursuing a graduate business degree, however, are between men and women in Western countries, where women tend to be more pragmatic and outcomes-oriented than men:

- In the United States, women are significantly more likely to see GME as a way to *advance more quickly in their careers* and *have more satisfying and fulfilling careers*.
- In both Europe and the United States, women also are significantly more likely than men to regard GME as a means to *earn more money*.
- Men in these Western countries, however, are significantly more likely to be motivated by the desire to *increase their status among work colleagues and/or friends, get more respect, be a role model, and keep up or catch up to their peers*.

Top 10 Motivations for Women to Pursue GME, Global Candidates

1. Improve my management skills
2. Improve specific skills such as accounting, finance or entrepreneurship
3. Advance more quickly in my career
4. Have a more fulfilling/satisfying career
5. Have more control of my future
6. Improve my leadership skills
7. Become an expert in my field
8. Provide stability in my career
9. Earn more money
10. Gain international exposure/global perspective

Source: GMAC Global GME Segmentation Study (2016).

Why Women Apply to Specific Business Schools

For both men and women, the strongest motivating factor for applying to a specific business school is the *high quality of instructors or faculty at the school*. In their school selection motivations, women again show themselves to be more pragmatic and outcomes-oriented than men. Globally, women tend to apply to a specific graduate business school because:

- It has the specific program that meets their needs,
- A degree from this school is recognized by global employers,
- Graduates from this school get better job opportunities, and
- The school offers flexibility through online classes and programs.

Regional Differences in School Selection

Respondents from the United States demonstrated the most noticeable gender differences in motivations to select a specific school. U.S. women's motivations centered on *program and faculty quality* and the *school's reputation*. Men in the United States, however, are significantly more likely to be motivated by *recommendations from friends or colleagues and from their employer*. Men in the United States also are more likely to apply to a specific school because of the *school's culture and location*.

Indian men and women have similar motivations for pursuing GME, but there are significant differences in their relative motivations for applying to specific schools. Like U.S. women, Indian women are significantly more likely than Indian men to apply to a program because it *meets their specific needs, has an excellent academic reputation, and because of the job opportunities and global recognition that come with a degree from the school*.

To address women's more pragmatic needs, business schools must clearly communicate how the MBA is a viable investment. Especially for women in Western countries, emphasize that earning an MBA is a way to advance more quickly in their careers, increase their earning potential, and achieve their specific goals. For women in India, stress the academic reputation of the school and the job opportunities and global recognition that will come from a degree from the school.

Top 10 Motivations for Women to Apply to a Specific School, Global Candidates

1. High-quality instructors/faculty
2. Has the specific program that meets my needs
3. Good reputation for its business programs
4. Excellent academic reputation
5. Highly ranked school
6. Graduates from this school get better job opportunities
7. A degree from this school is recognized by global employers
8. Offers online classes/programs
9. State-of-the-art/modern facilities
10. Offers a good student experience

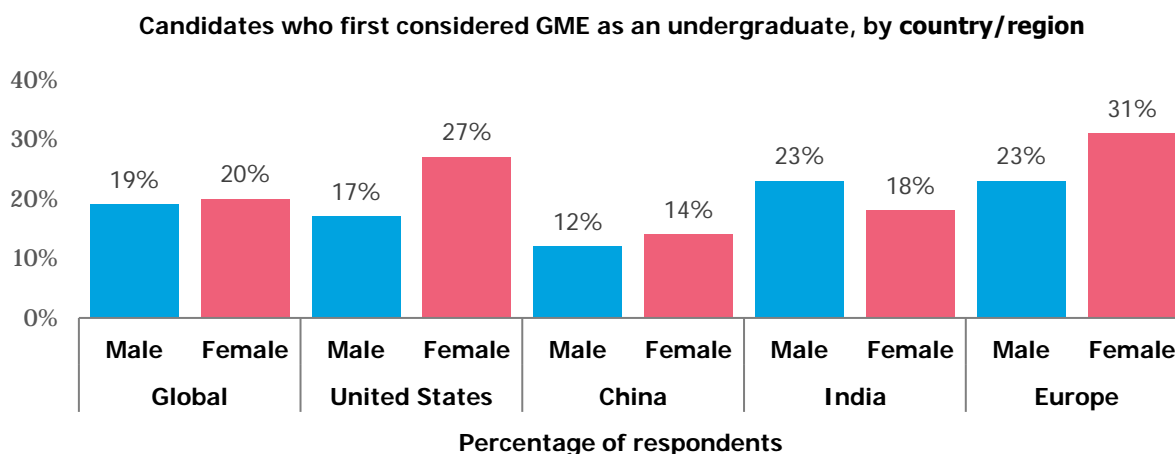
Source: GMAC Global GME Segmentation Study (2016).

How Women Approach the Application Journey

For business schools to effectively recruit and retain female applicants, they must do more than identify the differences in women’s motivations for embarking on the journey to apply to business school. They need to examine how women behave at the various points along the journey in order to identify points where they can influence their choices through marketing efforts, program design, and scholarships.

Role of Early Planning and Convenience in Timeline

In China, Europe, and the United States, women are more likely than men to first start considering an MBA or business master’s degree while they are undergraduate students. This difference is particularly noticeable in the United States where 27 percent of female applicants report that they began considering their graduate degree as undergraduates compared with 17 percent of male applicants.



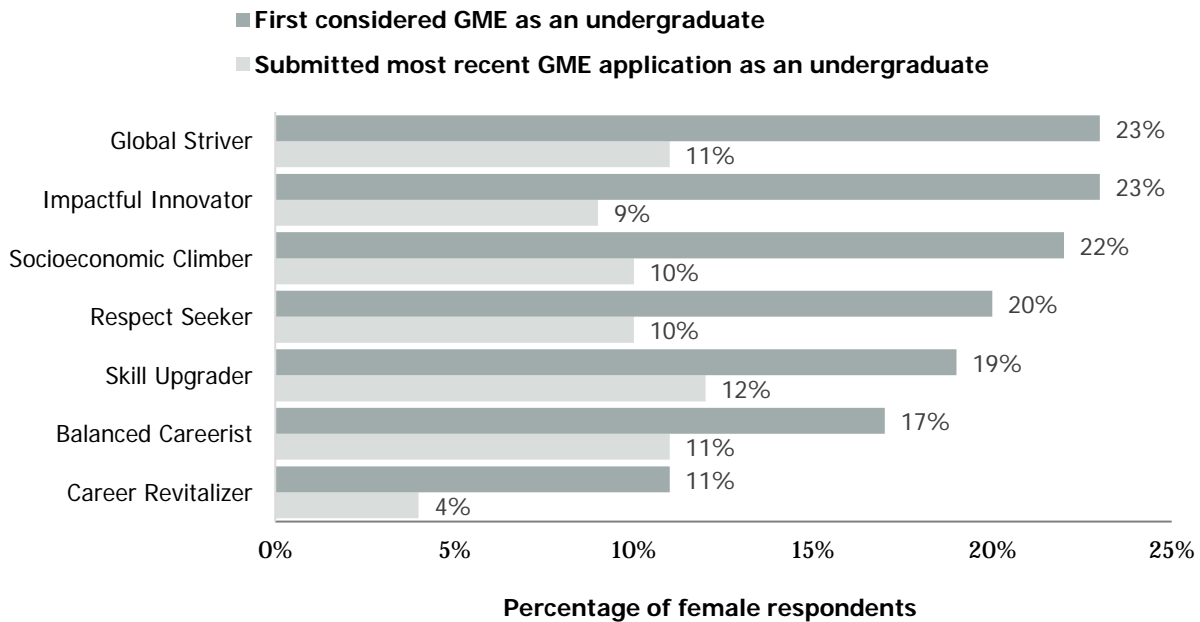
Source: GMAC Global GME Segmentation Study (2016).

Business schools looking to diversify their MBA classrooms through deferred enrollment programs (e.g. the 2+2 program at Harvard Business School, the Future Year Admissions program at the University of Virginia Darden School of Business) may benefit from understanding how women in different segments behave as undergraduates.

For example, women categorized as Global Strivers and Impactful Innovators convert more slowly from first consideration of GME to applying. Although 23 percent of female Global Strivers and Impactful Innovators first consider GME while pursuing their undergraduate degrees, only 11 percent and 9 percent, respectively, of Global Strivers and Impactful Innovators submit their applications as undergraduates. Since the majority of women in these segments are likely to apply only to MBA programs (80% of female Global Strivers and 77% of Impactful Innovators), they may need to accumulate several years of work experience first before applying.

Nineteen percent of female Skill Upgraders, on the other hand, first consider a graduate business degree as undergraduates, and 12 percent of women in this segment quickly follow through to submit their first application while still undergraduates, the highest percentage of any segment of women.

Differences in women's timelines, from first consideration to application, by segment



Source: GMAC Global GME Segmentation Study (2016).

Despite women's earlier consideration timeline than men, women globally are more likely to submit their applications *after entering the workplace* rather than as undergraduate students or recent graduates. This distinction is particularly noticeable in the United States where half of female applicants (50%) reported submitting their application *after entering the workplace* compared with a smaller proportion (43%) of male applicants.

These findings suggest that women have more flexibility about when they submit their applications. They are significantly *more likely* than men to be prompted to apply because, "It was a convenient time to go to school" (20% women vs. 16% men). Men, on the other hand, are significantly *more likely* to be prompted because, "My employer asked/suggested that I apply" (14% men vs. 11% women) or because, "My parent(s) suggested that I apply" (10% men vs. 7% women).

On average, once applicants find schools that interest them, they rely mainly on key influencers such as parents, spouses, alumni, career advisors, and admissions counselors as they explore their program options, in addition to consulting various online information sources. Globally, women tend to cite online resources as the most helpful sources of GME information; men tend to rely more on key influencers for information. An exception to this global trend are U.S. women who rely more on key influencers than men, including a significant 21 percent of American women who cite admissions counselors as a key resource for exploring their GME options.

Globally, there are minimal gender differences in terms of the number of schools that men and women apply to. Thirty-six percent of men and 40 percent of women report applying to only one school. Half of male applicants (50%) and nearly the same percentage of women (49%) report applying to 2 or 3 schools. Fifteen percent of men say they applied to four or more schools compared with 11 percent of women.

Regionally, the greatest differences are seen in the United States. There, women are *more likely* to apply to fewer schools: 85 percent of U.S. women report applying to three or fewer schools versus 76 percent of U.S. men.

By segment, women also differ in the number of schools they apply to. Given their preference for their lives not to be disrupted by business school, a majority (56%) of female Balanced Careerists apply to only one school. The percentage of women in other segments applying only to one school ranges from 25 percent of Global Strivers to 44 percent of Career Revitalizers. Fifty-nine percent of Global Strivers, however, apply to 2 to 3 schools, with other segments ranging from 40 percent of Balanced Careerists to 54 percent of Impactful Innovators.

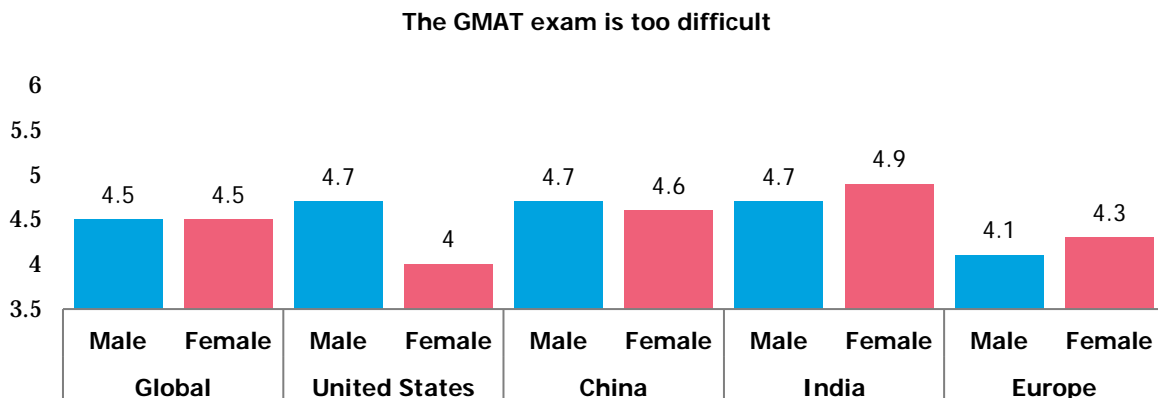
One way many business schools are reaching out to female undergraduates is through partnership with organizations such as Forte Foundation, a non-profit consortium of multinational companies and top business schools worldwide, which has instituted several programs to connect with undergraduate women to inform them of business career options before they graduate. These programs build awareness about graduate business school options by offering information, scholarship support, and networking connections with the goal of increasing the number of women in the business school pipeline and helping them stand out in the MBA application process.

Attitudes About Admissions Exams

In most instances, a big part of the application journey to graduate business school involves preparing for and sitting for an admissions exam. All survey respondents indicated their level of agreement with several statements about graduate admissions exams, with some notable geographic differences.

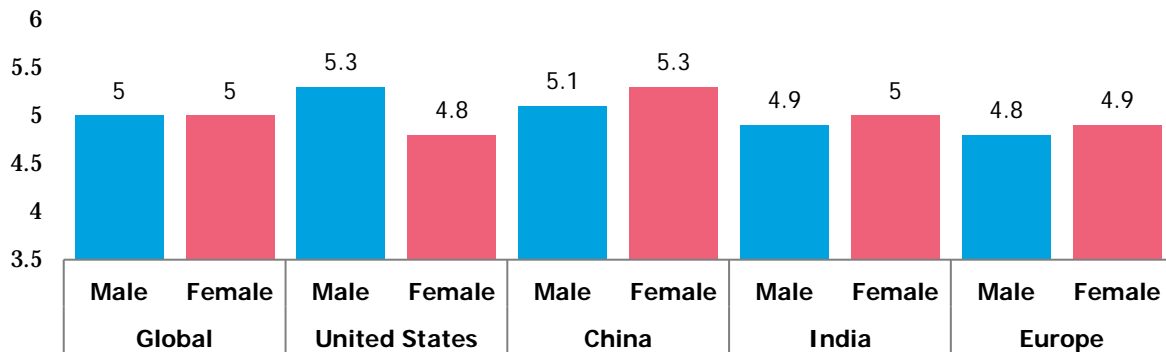
Women from certain geographic regions seem less intimidated by the prospect of taking standardized admissions tests. In the United States, men are significantly more likely than women to agree with the statements, “The GMAT exam is too difficult” and “The GRE exam is too difficult.” In China, Europe, and India, women are more likely to agree with the statement, “Even if an admissions exam is not required by the program/school, submitting exam scores can make the application stronger.”

Candidate views about admissions exams, impact on application



Note: Responses rated on a seven-point scale ranging from 1, strongly disagree, to 7, strongly agree.
Source: GMAC Global GME Segmentation Study (2016).

Even if an admissions exam is not required by the program/school, submitting exam scores can make the application stronger



Note: Responses rated on a seven-point scale ranging from 1, strongly disagree, to 7, strongly agree.
Source: GMAC Global GME Segmentation Study (2016).

Biggest Challenges in Navigating the Application Process

When asked to identify potential obstacles in the process of applying to a graduate business program, men and women overall cited the following as their top five challenges:

- Obtaining funds/financing for graduate school (tuition and fees),
- Studying for admissions exams (e.g., GMAT exam, GRE, TOEFL),
- Taking admissions exams,
- Finding time to prepare and/or apply to graduate schools, and
- Obtaining information about types of programs.

Some key differences by gender and country or region:

- **Women:** *Obtaining funds/financing for graduate school* is the top challenge for women, cited by 18 percent of the female survey population.
- **Men:** 15 percent of men say *studying for admissions exams* is their biggest challenge; another 15 percent cite *obtaining funds/financing for graduate school*.

United States

- 30 percent of women cite *obtaining funds* as their biggest challenge compared with only 9 percent of men.
- 14 percent of men cite *obtaining information about types of programs* as their biggest challenge versus only 4 percent of women.

Europe

- 16 percent of women cite *obtaining funds* as their biggest challenge versus 12 percent of men.
- European women also are more likely than men to cite *finding time to prepare and/or apply to graduate schools* as their biggest challenge (11% women vs. 5% men).

China and India

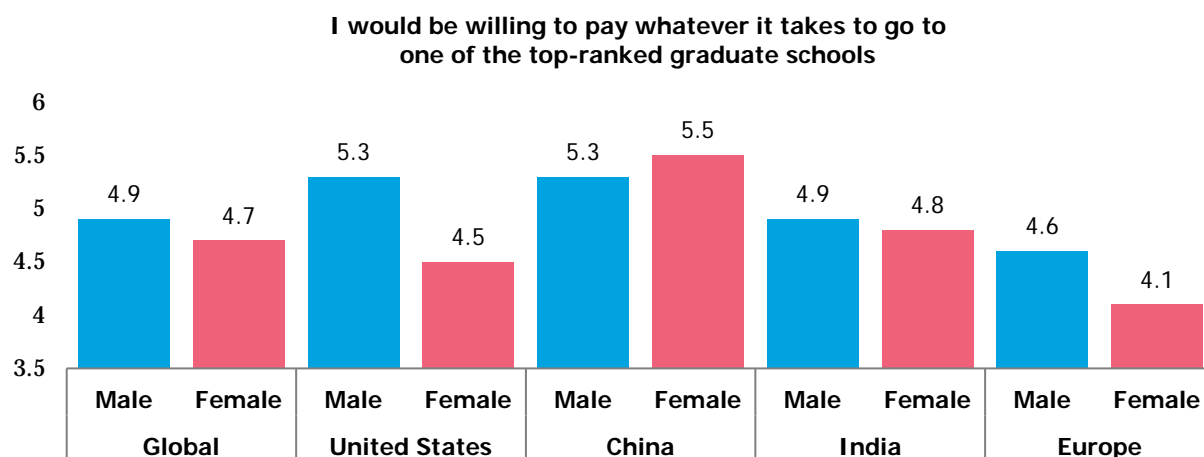
- *Obtaining funds* to pay for school is a bigger challenge for men than for women.
- Only 8 percent of Indian women cited *obtaining funds* as their biggest challenge compared with 14 percent of Indian men.
- The same dynamic is true in China: 9 percent of women identify *obtaining funds* as their biggest challenge compared with 11 percent of Chinese men.

Role of Funding in a Woman’s Journey to Business School

Globally, of the female applicants who had not yet accepted their offer of admission, the number one reason for not doing so was *financial reasons*, cited by 29 percent of respondents. The top reason for men, on the other hand, was “I am waiting for an offer from additional schools (33%).”

The greatest gender difference on the issue of financial reasons was again seen in the United States. More than a third (38%) of female survey respondents cited financial reasons as their number one reason for not yet accepting their admissions’ offer compared with 20 percent of male respondents.

Men, especially those in the United States and Europe, are significantly more likely than women to agree with the statement, “I would be willing to pay whatever it takes to go to one of the top-ranked graduate schools.” China was the only country analyzed where women are more likely to agree with this statement than men.



Note: Responses rated on a seven-point scale where 1 = strongly disagree and 7 = strongly agree.

Source: GMAC Global GME Segmentation Study (2016).

Globally, the mix of funding sources that men and women intend to use to pay for their graduate business degree is similar, however, women tend to rely on scholarship funding slightly more than their male counterparts (11% women vs. 9% men). Indian candidates are the most likely to rely on funding from their parents to pay for their degree. Fifty-three percent of Indian men and 48 percent of Indian women stated that they intend to rely on their parents to pay for some or all of their degree. In the United States, on the other hand, only 25 percent of women and 33 percent of men intend to use funding from their parents.

In light of the significant gender differences in Western countries and between women in Western countries and women in the more developing economies of China and India, business schools need to be strategic in allocating scholarships and need-based aid. Schools committed to increasing the number of women in their MBA classrooms should promote opportunities for tuition assistance and follow through with generous scholarship and financial aid packages for those segments where the need is greatest.

Primary sources of funding to pay for graduate business degree*

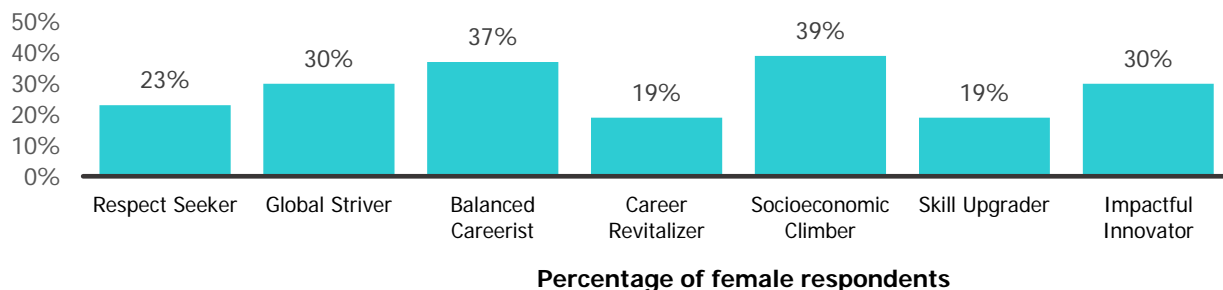
	Men	Women
Loan	19%	19%
Scholarships**	9%	11%
Contributions from family, employer, parents, friends	26%	25%
Personal funds/savings	45%	45%

*Percentages may not sum to 100 due to rounding.
 **Includes scholarships from the school and from other organizations.
 Source: GMAC Global GME Segmentation Study (2016).

Funding Is Biggest Challenge for Balanced Careerists and Socioeconomic Climbers

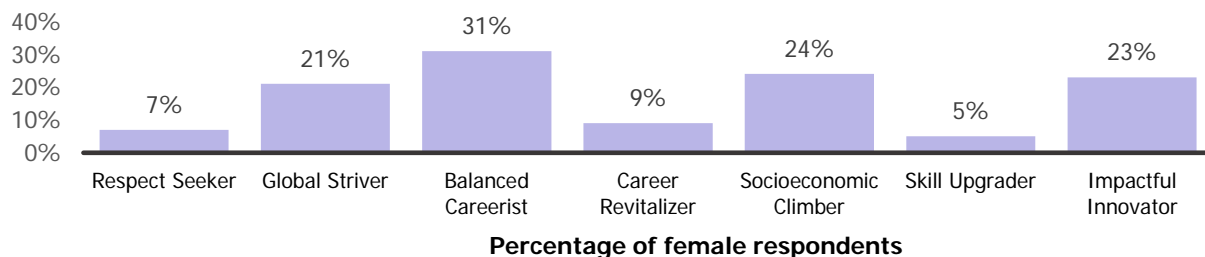
The challenges associated with paying for a graduate business degree are more acute for certain segments of women. For nearly 4 in 10 female Socioeconomic Climbers (39%) and Balanced Careerists (37%), *financial reasons* are the top reason they cite for not yet accepting their admissions offers. These two segments also are the most likely to cite *obtaining funds and financing* as their biggest challenge in the business school application journey. Although fewer than 10 percent of female Respect Seekers, Career Revitalizers, and Skill Upgraders select *obtaining funds* as their biggest challenge, 21 percent of female Global Strivers and 23 percent of Impactful Innovators cite it as their biggest challenge.

Reason for women not yet accepting admissions offer: Financial reasons



Source: GMAC Global GME Segmentation Study (2016).

Biggest challenge: Obtaining funds/financing for graduate school (tuition and fees)



Source: GMAC Global GME Segmentation Study (2016).

Balanced Careerist and Socioeconomic Climber, two segments of women most heavily represented in the United States (27% and 17% respectively) and Europe (23% and 15%, respectively) are also the segments who least agree with the statement, “I would be willing to pay whatever it takes to go to one of the top-ranked graduate schools.”

Female Segments with Funding Challenges Less Likely to Pursue MBAs

Among all the segments, female Socioeconomic Climbers and Balanced Careerists are those *least likely* to apply only to MBA programs and the *most likely* to seek only non-MBA business master’s degrees. Eight in 10 female Respect Seekers, Skill Upgraders, Career Revitalizers, and Global Strivers, on the other hand, are likely to apply only to MBA programs instead of to non-MBA business master’s programs.

Percentage of women choosing to apply only to an MBA or only to a master’s program, by segment*

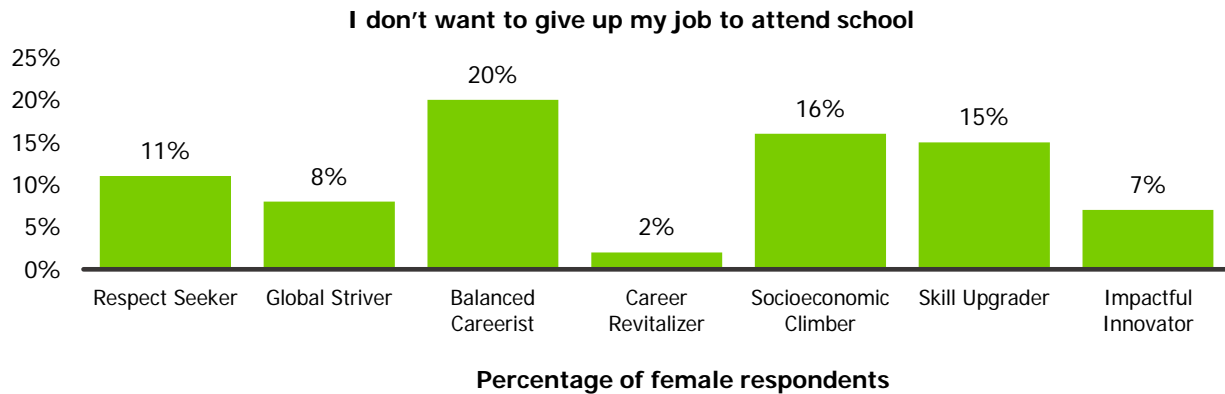
MBA-only		Non-MBA Master’s only	
Respect Seeker	82%	Balanced Careerist	22%
Skill Upgrader	82%	Socioeconomic Climber	17%
Career Revitalizer	81%	Impactful Innovator	14%
Global Striver	80%	Career Revitalizer	13%
Impactful innovator	77%	Global Striver	11%
Balanced Careerist	72%	Skill Upgrader	10%
Socioeconomic Climber	72%	Respect Seeker	9%

*Segment percentages do not sum to 100% because a small share of respondents applied to both MBA and non-MBA master’s programs.

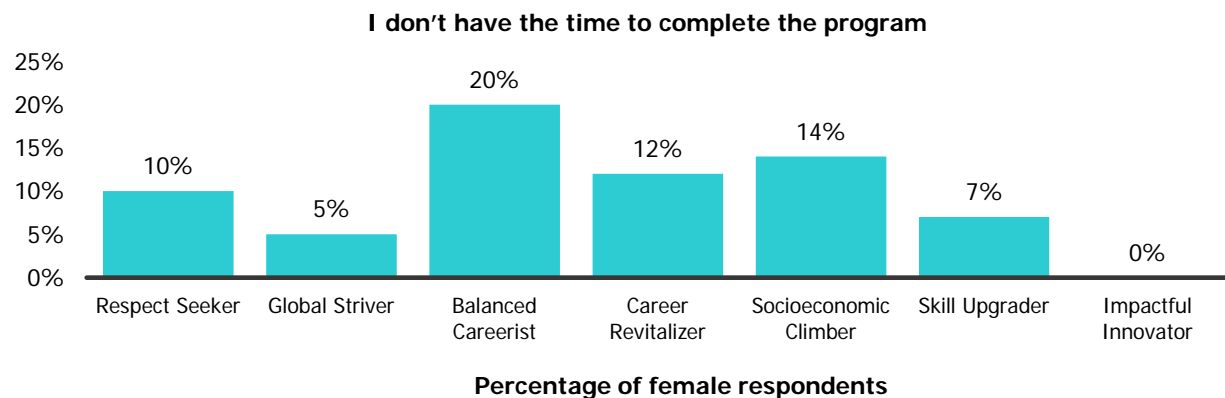
Source: GMAC Global GME Segmentation Study (2016).

The concerns that female Balanced Careerists and Socioeconomic Climbers, and to a lesser degree, Impactful Innovators and Global Strivers, have about funding their degrees may play a role in their choice to apply only to a non-MBA business master’s program (which are typically one-year formats) rather than to an MBA program (which, depending on the format, can be two years or longer).

Many other factors are involved in the program selection process, including the role a woman’s existing job plays in the decision. Female Balanced Careerists and Socioeconomic Climbers are the two segments most likely to say they haven’t accepted their admissions offer because, “I don’t want to give up my job to attend school” (20% and 16%, respectively) and, “I don’t have the time to complete the program” (20% and 14%, respectively).



Source: GMAC Global GME Segmentation Study (2016).



Source: GMAC Global GME Segmentation Study (2016).

Despite the challenges that they report with funding, female Global Strivers and Impactful Innovators are the two segments *most likely* to delay or not accept an admissions offer from a school because they want to keep their options open. The top reason for not yet accepting an offer for both female Global Strivers (46%) and Impactful Innovators (31%) is, “I am waiting for an offer from additional schools.”

Though female Socioeconomic Climbers and Balanced Careerists, and to a lesser degree, Impactful Innovators and Global Strivers, share similarities in their approach to the application journey, in their challenges, and in their decisions to pursue an MBA or a business master’s, they also have behaviors that are unique identifying characteristics of their segments:

- Impactful Innovators’ top differentiating motivation for school selection is that the school “has [an] excellent academic reputation,” whereas Balanced Careerists’ top motivation is that the school is “located nearby so I can commute from home.”
- Balanced Careerists who choose to pursue an MBA degree rather than a non-MBA master’s degree overwhelmingly prefer part-time MBAs (68%) versus full-time MBA programs (32%).
- Global Strivers, Socioeconomic Climbers, and Impactful Innovators, on the other hand, are more evenly divided in their preferences for full-time MBAs versus part-time MBAs.

What Women Want: A Blueprint for Change in Business Education

The new paradigm of mutual selection between business schools and prospective students means that business schools—and MBA programs in particular—must offer a new value proposition for women. Female candidates today have a multitude of program options available for pursuing a graduate business education, as this paper amply demonstrates. Findings about women’s motivations from the recent GME candidate segmentation study provide intelligence that can help frame the development of a new value proposition for women:

- **An MBA degree is still relevant and valued by women as a passport** to wider career advancement and leadership opportunities in business. In fact, women are more likely than men to hold the MBA degree in high regard. The share of women in MBA classrooms, however, has consistently remained below 50 percent in parity with men, yet women are at or near parity in specialized master’s classrooms.
- **Curiosity is a key characteristic of women in the GME pipeline, and they are less intimidated by standardized testing than their male peers.** Globally, women are significantly more likely to say they like to continuously discover new things. In the United States, women are less likely than men to say that the GMAT exam is too difficult, and in China and India, women are more likely than men to think that submitting exam scores strengthens their applications.
- **Overall, women are more pragmatic and outcomes-focused** in their approach to pursuing GME. They are more likely than men to apply to a specific school because it offers flexible program formats and its graduates get better job opportunities. Especially in Western countries, women are more likely than men to be motivated by the desire to advance more quickly and earn more money.
- **Early planning and convenience play a key role in the application journey for women.** Women are more likely than men to begin considering graduate management education as undergraduates, and are more likely to be prompted to apply because the timing was convenient.
- **Women in Western countries differ in their motivations and approaches to the application journey than women in emerging economies like China and India.** Women who fall into the Balanced Careerist and Socioeconomic Climber segments are more likely to be found in the United States and Europe. Female Global Strivers are more likely to be found in India and Career Revitalizers in China. The motivational profiles of Western women differ noticeably from their male counterparts. In India and China, women’s motivations and behaviors more closely resemble those of male applicants from these countries.
- **Challenges related to funding are significant barriers for women.** Financial reasons are the number one reason globally that female applicants have not yet accepted their admissions offer to graduate business school. In the United States, 30 percent of female applicants cite *obtaining funds* as their biggest challenge versus only nine percent of male applicants.
- **Segments of women with funding challenges are less likely to pursue MBA degrees.** Balanced Careerists and Socioeconomic Climbers, who report experiencing the greatest funding challenges, are the least likely to pursue an MBA degree and most likely to seek a non-MBA degree instead. These candidates are also less likely to say they are willing to pay whatever it takes to attend a top-ranked business school.

Strategies for Enhancing the Value of GME for Women

Based on the insights in this paper, business schools can ensure that their marketing and program management efforts speak to the unique and manifold motivations of women. Particularly in their MBA program efforts, business schools can consider the following:

- **Recognize the opportunities for learning and discovery that drive many women to consider GME as a way to broaden their horizons.** The one defining characteristic that sets women apart from men is their curiosity and appetite to learn new things. For these women, promote the high quality of the school's faculty, its academic reputation, and the ability of the MBA degree to develop the skills they will need to make a social impact and be leaders in their profession.
- **Address women's propensity for early planning and their need for convenience through admissions changes.** As seen in data presented in this paper, women are more likely to begin considering business school as undergraduates and then apply to school when it is convenient for them to do so, which argues for more deferred enrollment policies. Notably, 27 percent of full-time MBA programs represented in the GMAC 2016 Application Trends Survey reported an increase in the number of deferrals from 2015–2016 to 2016–2017.¹²
- **Identify the motivation-based segments of women who are applying to and attending their programs.** Equipped with this information, schools can create more targeted messaging that speaks to the unique motivational profiles of segments they would like to increase. For example, for the Global Striver, emphasize the global brand of the school, its ranking and academic reputation, as well as opportunities for international study. In addition, make visa information easily available. For the Skill Upgrader, who is most interested in MBA programs, emphasize how the degree will improve her leadership and management skills and build her business expertise.
- **To meet women's more pragmatic needs, communicate how the MBA is a viable investment.** Especially for women in Western countries, emphasize that earning an MBA is a way to advance more quickly in their careers and increase their earning potential. For women in India, stress the academic reputation of the school and the job opportunities and global recognition that will come from a degree from the school.
- **Evaluate strategies for how financial aid and scholarships are allocated to women in light of where the challenge is greatest.** Financial challenges are more significant for women in Western countries—United States and Europe—and among women characterized as Socioeconomic Climbers and Balanced Careerists in the segmentation model. As noted, women who face challenges in paying for school are most likely to delay accepting an offer of admissions and least likely to pursue an MBA degree. Findings from the 2016 Application Trends Survey showed that 80 percent of full-time MBA programs offer merit-based scholarships and 28 percent offered need-based scholarships. Yet, the share of enrolled students in those programs who received such assistance in 2016 totaled 27 percent for merit scholarships and just five percent for need-based scholarships.¹³ Schools committed to increasing the number of women in their MBA classrooms should promote opportunities for tuition assistance and follow through with generous scholarship and financial aid packages for those segments where the need is greatest.

Business schools can start immediately to make any number of bold changes in the experience they offer to female candidates to encourage more women to see a graduate management education (GME) as a step toward forging their own leadership style and being a force for change in the world.

Contact Information

For questions or comments regarding the data or analysis presented in this paper, please contact the GMAC Research Department at research@gmac.com. Additional segmentation resources and information can be found at gmac.com/segments, including the full global GME segmentation study white paper.

Contributors

The following individuals at the Graduate Management Admission Council made significant contributions to the preparation of this report: **Shelby Colby**, Strategy Analyst, Executive Office, co-author, drafting of manuscript for intellectual content, literature review, data interpretations, manuscript review; **Paula Bruggeman**, Research Publications Manager and Editor, co-author, drafting of manuscript for intellectual content, literature review, data analysis, and editorial review; **Gregg Schoenfeld**, Director, Management Education Research, data interpretation and analysis; **Sabrina White**, Vice President, Americas, manuscript review; and **Camille Coppock**, Marketing Director, Americas, manuscript review.

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Appendix

Methodology Details

The Global Graduate Management Education Candidate Segmentation Study was designed to differentiate segments of GME candidates along two dimensions of motivation: Motivations to pursue a graduate business degree (among 32 possible motivations, seen in Figure A.1), and candidates' motivations to apply to a specific school (among 29 possible motivations, seen in Figure A.2).

Through the survey, data was collected via choice-based questions using a *MaxDiff* (maximum difference scaling) format. In this format, respondents were shown a randomized list of 6 of the 32 motivations for pursuing GME, and asked to select the one that *best* described their reasons, and the one that *least* described their reasons. This exercise was repeated 16 times, so that each respondent was exposed to each motivation 3 times. Similarly, later in the questionnaire, respondents completed a MaxDiff module that presented randomized sets of 6 of the 29 possible motivations for school selection. Each respondent completed the task 15 times.

Figure A.1. Motivations to Pursue a Graduate Management Education

- Earn more money
- Give my children a better future
- Increase my status among work colleagues and/or friends
- Make my parents proud
- Provide stability in my career
- Get a promotion where I currently work
- Qualify for other opportunities within my current organization
- Advance more quickly in my career
- Have more control of my future
- Have a more fulfilling/satisfying career
- Better networking opportunities
- Improve specific skills such as accounting, finance, or entrepreneurship
- Improve my leadership skills
- Improve my management skills
- Qualify to work at other companies and/or in other industries
- Access to employment opportunities in other countries
- Help me keep up or catch up to my peers
- Help me start/run my own business
- Learn something different
- Get more respect
- Be a role model
- Stand out from others
- Improve my socioeconomic status/standing
- Develop skills to have greater social impact/improve my community
- Keep up with a fast-changing world
- Have more influence and/or credibility
- Gain international exposure/global perspective
- Move into a management job with supervisory responsibilities
- Become an expert in my field
- Reinvent myself
- Increase my confidence
- Overcome social barriers to advancement (e.g., gender, minority status)

Figure A.2. Motivations to Select a Specific School

- Nearby so I can commute from home
- Located in my current country
- Location that I would like to experience by moving there
- Excellent academic reputation
- Good reputation for its business programs
- Graduates are more successful than graduates from other schools
- Has the specific program that meets my needs
- Highly ranked school
- My parent(s) graduated from this school
- Well-known internationally
- Its alumni include many corporate leaders
- High-quality instructors/faculty
- Graduates from this school get better job opportunities
- Highly recommended by my employer
- Highly recommended by my friends and/or colleagues
- Ease of fitting in with other students/school culture
- Only the best students get accepted
- Lower tuition costs than other schools
- Offers generous scholarships and/or subsidized by government
- A degree from this school is recognized by global employers
- Requires all applicants to take the GMAT exam
- Accepts the GRE exam
- Does not require any admissions exams
- Easy to get accepted into the program
- Offers a good student experience
- Good on-campus career recruiting/corporate connections
- State-of-the-art/modern facilities
- Offers online classes/programs
- Has a strong alumni network

Figure A.3. Overview of Segment Characteristics

Segment	Core Motivation	Defining Characteristics	Value Proposition
Respect Seeker	<i>"A graduate business degree will give me the status and respect that I crave."</i>	<ul style="list-style-type: none"> • Overrepresented in North America and Europe. • Apply younger and at parent's suggestion. • Prefer full-time study and MBA programs. • Apply to 2+ schools 	GME graduates are part of an elite club.
Global Striver	<i>"I am committed to exploring the world of opportunities that awaits."</i>	<ul style="list-style-type: none"> • Oriented to achievement and have an international focus. • Would be willing to pay whatever it takes to go to one of the top-ranked schools. • Emphasis on rankings and academic reputation of school. • Apply to more schools than any other segment. 	There's no limit to what you can achieve with a graduate management education.
Balanced Careerist	<i>"I want to advance, but school must not disrupt my life."</i>	<ul style="list-style-type: none"> • Motivated by convenience in selection of a school. • Prefer part-time study. • More likely to live in a suburban or rural area. • Motivated to pursue business school to earn more money. 	With so many flexible programs and class options, you can fit a graduate management degree into your life.
Career Revitalizer	<i>"I need to take my career to the next level to be successful."</i>	<ul style="list-style-type: none"> • Overrepresented in China. • Prefer part-time study. • More likely to apply later in their career. • Motivated by a desire to have more control over the future and advance more quickly. 	Obtaining a graduate management degree is a smart investment in your future.
Socioeconomic Climber	<i>"I want to achieve everything my parents could only dream of."</i>	<ul style="list-style-type: none"> • Motivated by the desire to earn more money and provide for their children. • Overrepresented in Brazil, Mexico, and Russia. • Prefer part-time study. • Biggest challenge is funding. 	Graduate management education can help you bring your dreams to life.
Skill Upgrader	<i>"I want to be recognized for my expertise."</i>	<ul style="list-style-type: none"> • More interested in MBA programs. • Motivated by the desire to improve their skill set so they can be perceived as experts. • Most male-dominated segment. • Focused on school culture and experience in selecting a school. 	A graduate management degree will give you the expertise to succeed.
Impactful Innovator	<i>"I have great ideas. I just need the skills to bring them to life."</i>	<ul style="list-style-type: none"> • Overrepresented in Africa and Indonesia. • Motivated to build skills to use for impacting society. • More likely to be self-employed. • Set apart by a more optimistic and curious personality. 	A graduate business degree will give you the skills and connections to change the world.

Source: GMAC Global GME Segmentation Study (2016).

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